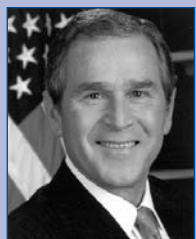


MCA Millennium

Challenge Account



"The lesson of our time is clear: When nations embrace free markets, the rule of law, and open trade, they prosper, and millions of lives are lifted out of poverty and despair. So I have proposed the creation of a new Millennium Challenge Account."

—President George W. Bush
Commencement Address to the
Coast Guard Academy,
May 21, 2003

Check out our website for
speeches, testimony and FAQs:
www.mca.gov



Welcome to the second edition of *MCA Update*! It's been a busy month, full of briefings on the Hill and outreach to ambassadors, academics, and the private sector.

Administration Works with Hill

Progress continues on many fronts:

- 1 The FY 2004 budget resolution conference report accommodated the President's request of \$1.3 billion for the MCA.
- 2 Administration officials have testified on MCA before six congressional committees almost a dozen times and are actively briefing bipartisan members of the House International Relations (HIRC) and the Senate Foreign Relations Committees (SFRC), as well as the appropriations committees. Under Secretary **Alan Larson** and USAID Administrator **Andrew Natsios** testified before the House Foreign Operations Appropriations Subcommittee at a May 21st hearing on MCA following Treasury Secretary **John Snow** and Under Secretary **John Taylor's** testimony earlier in the year.
- 3 The President's MCA bill has been introduced in both chambers.
- 4 The SFRC reported the legislation May 21 by voice vote after adopting a Hagel-Biden amendment, which places the MCC within the State Department. This amendment which is strongly opposed by the Administration, has prompted a senior advisor's veto threat on the bill if it is retained. Senate floor action is next.
- 5 The HIRC hopes to mark up its version of the bill on June 12.

The Administration will continue to work with both sides of the Hill and both parties to secure enactment of an acceptable bill.

White House Hosts Opinion Makers

The Council of Economic Advisers (CEA) invited prominent economists and business leaders to "Aid and The Millennium Challenge Account: A New Approach to Development Assistance" roundtable May 21 at the White House. Treasury Secretary **John Snow** and Dr. **Condoleezza Rice** greeted the guests, and described the Administration's commitment to combating poverty around the world.

The participants, including **Nancy Birdsall** of the Center for Global Development, Merck CEO **Raymond Gilmartin** and leading scholars from Harvard, Chicago, Michigan, MIT, and Carnegie Mellon, broadly supported the principles behind the MCA.

Outreach Event Attracts Ambassadors

Over 100 ambassadors and counselors from nearly 60 MCA-candidate countries attended an outreach event May 5 at the Loy Henderson Auditorium at State Department.

Under Secretary for Economic Affairs **Alan Larson**, USAID Administrator **Andrew Natsios**, NSC Director **Bill Frej** and Treasury Deputy Assistant Secretary **Clay Lowery** stressed the Administration's support for the MCA, and answered questions about qualifying criteria and implementation.